

10850 Wilshire Boulevard / 9th Floor Los Angeles, CA 90024-4321 310-446-1000 tel / 310-446-1600 fax www.ifta-online.org / info@ifta-online.org

September 14, 2017

Ms. Marlene H. Dortch Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Electronically Submitted via ECFS

Re: Notice of Ex Parte Communication
Restoring Internet Freedom, WC Docket No. 17-108

Dear Ms. Dortch,

On September 13, 2017, representatives from the Independent Film & Television Alliance ("IFTA"), including myself and Mr. Eric Cady, Acting General Counsel, IFTA, met with Mr. Claude Aiken, Legal Advisor to Commissioner Mignon Clyburn and Mr. David Grossman, Chief of Staff and Media Policy Advisor to Commissioner Mignon Clyburn. Ms. Claudia James of the Podesta Group also joined the meeting.

The parties discussed IFTA's views and concerns regarding the Commission's proposed regulatory framework in the above-referenced proceeding. IFTA reiterated its strong support for an open internet and urged the Commission to maintain a regulatory framework governing broadband services that includes clear rules ensuring transparency, noblocking, no throttling and non-discrimination, and a commitment to full enforcement in order to preserve and promote the open internet and the public interest in access to independent and diverse content.

IFTA also provided a copy of its previously filed written submission in the above-referenced proceeding, along with further background on its Association and its Member Companies, including a list of the top 10 states for independent production for 2016. All of these documents are attached hereto.

This letter is submitted electronically to your office in accordance with Section 1.1206 of the Commission's Rules.

Thank you very much.

Sincerely,

Jean M. Prewitt President & CEO

cc: Eric Cady Claudia James

Attachments



#### **ABOUT IFTA**

The Independent Film & Television Alliance (IFTA) is the global trade association for the independent film and television industry. IFTA is the worldwide voice and advocate for the industry and is committed to enhancing and protecting its members' ability to finance, produce, distribute and market independent films and television programs.

In this capacity, IFTA also engages in education efforts aimed at dispelling the notion that "independent" means little known and low-budget – when in reality it refers to the fact that financing for the film or television program came from sources outside of the six "major studios" (Buena Vista Pictures Distribution/The Walt Disney Company, Paramount Pictures Corporation, Sony Pictures Entertainment, Inc., Twentieth Century Fox, Universal Studios, and Warner Brothers Entertainment, Inc.).

IFTA defines independent producers and distributors as those companies and individuals (apart from the major studios) that assume the majority – more than 50 percent – of the financial risk for production of a film or television program and control its distribution in the majority of the world. Independent films are financed from a number of sources, including advance commitments by distributors, and they are made at every budget range. It is this financial risk-taking that fosters creativity and makes independent productions unique.

IFTA's membership includes well-known independent film companies, such as LIONSGATE, The Weinstein Company, and Lakeshore International. In the last 34 years, 21 of the Academy Award® winners for Best Picture have been produced and/or distributed by IFTA member companies, including 12 Years A Slave as well as The Artist, The King's Speech, The Hurt Locker, Slumdog Millionaire, and The Departed. IFTA members have produced relatively large budget films, such as the Lord of the Rings trilogy, American Hustle, Wedding Crashers, and Mr. and Mrs. Smith as well as box office surprises, such as LaLa Land, Silver Linings Playbook and My Big Fat Greek Wedding – which were produced on more modest budgets.

IFTA is a nonprofit organization that represents more than 140 members from 21 countries, including independent production and distribution companies, sales agents, television companies, studio-affiliated companies and financial institutions engaged in film finance. Collectively, its members produce more than 400 independent films and countless hours of television programming each year and generate more than \$4 billion in distribution revenues annually.

Today, IFTA's American Film Market is the largest motion picture trade show in the world. Unlike a film festival, the AFM is a marketplace where production and distribution deals are closed. In just eight days, more than \$800 million in deals are sealed – on both completed films and those that haven't started shooting yet. With 8,000 attendees, 900 screenings, and seminars by leading industry organizations, the AFM is the pivotal destination for independent filmmakers and businesspeople from around the world.



# Top States for Independent Production 2016

- 1. California
- 2. New York
- 3. Georgia
- 4. Louisiana
- 5. Texas
- 6. New Mexico
- 7. Massachusetts
- 8. Ohio
- 9. Mississippi
- 10. Utah

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the Matter of	)	
	)	
Restoring Internet Freedom	) GN I	Docket No. 17-108
	)	
	)	
	)	

#### **COMMENTS OF THE INDEPENDENT FILM & TELEVISION ALLIANCE**

The Independent Film & Television Alliance respectfully submits the following comments in response to the Federal Communications Commission's May 18, 2017 Notice of Proposed Rulemaking in the above-referenced proceeding.

Jean M. Prewitt
President & Chief Executive Officer

Susan Cleary
Vice President & General Counsel

Eric D. Cady Senior Counsel

Independent Film & Television Alliance 10850 Wilshire Boulevard, 9<sup>th</sup> Floor Los Angeles, CA 90024-4321

July 17, 2017

## TABLE OF CONTENTS

	PAGE
l.	INTRODUCTION
II.	ENFORCEABLE REGULATIONS ARE THE KEY TO AN OPEN INTERNET
	<b>B.</b> Ensuring an Open Internet through Enforceable Regulations: the Bright Line Rules
	C. The General Conduct Standard
	<b>D.</b> A Clear and Enforceable Regulatory Framework is Required
	E. Individualized Arrangements for Priority Treatment Should Remain Prohibited
III.	THE BROADBAND AND VIDEO SERVICES MARKETS CONTINUE TO CONSOLIDATE AND ISPS ARE GATEKEEPERS
IV.	MOBILE BROADBAND INTERNET SERVICE MUST BE SUBJECT TO ENFORCEABLE REGULATION10
V.	CONCLUSION
Appena	lix A: U.S. Production 2002 – 2016: Independent v. Major.
Append	lix B: AT&T-DirecTV Merger Consolidation.
Append	lix C: Charter, Time Warner Cable and Bright House Consolidation Chart
Append	lix D: Proposed Merger AT&T –Time Warner Inc. Consolidation Chart
Append	lix E: Media Consolidation in the U.S.
	lix F: Top 4 Broadband Provider Market Share Analysis: Broadband Share / Multi-Channel Video mming Distribution Share.

Appendix G: Examples of Commonly Owned or Affiliated Broadband Providers and Content Providers

#### I. INTRODUCTION

The Independent Film & Television Alliance ("IFTA") is the trade association for the independent film and television industry worldwide. IFTA represents more than 125 Member Companies from 21 countries, the majority of which are based in the United States, consisting of the world's foremost independent production and distribution companies, sales agents, television companies and financial institutions engaged in film finance.¹ Collectively, IFTA Members produce over 400 feature films and countless hours of programming annually with U.S. sales revenues of approximately \$2.91 billion and non-US sales revenues of 1.96 billion.² IFTA also produces the American Film Market, the largest motion picture trade event in the world, at which over \$800 million in license fees are negotiated annually.

Independent production companies produce more than 70% of all U.S. feature films.<sup>3</sup> For more than 30 years, IFTA Members have produced, distributed and financed many of the world's most prominent and critically acclaimed films, 21 of which have won the Academy Award® for "Best Picture," including 12 Years a Slave, The Artist, The King's Speech, The Hurt Locker, Slumdog Millionaire, No Country for Old Men, Crash, Million Dollar Baby, Lord of the Rings: The Return of the King, Dances with Wolves, and Gandhi.

Independent film and television companies are those that finance their productions outside the major studios, rely on third parties to invest picture by picture, and depend on licensing deals with unrelated distribution entities to bring those pictures and programs to audiences on each platform and every country. In many cases, local distributors are the investors, providing collateral for bank loans through pre-production deals to take rights in a film or program yet to be made. This business model allows extraordinarily diverse content to be made – there is no corporate board decision required to green light a project – but it also renders the independent sector extremely vulnerable when distribution networks are closed to independent fare.

<sup>&</sup>lt;sup>1</sup> IFTA defines "independent" producers and distributors as those companies and individuals apart from the major studios that assume the majority (more than 50%) of the financial risk for production of a film or television program and control its exploitation in the majority of the world. A list of IFTA Members can be found at www.ifta-online.org.

<sup>&</sup>lt;sup>2</sup> 2016 U.S. sales revenue, IFTA Membership Sales Survey 2016.

<sup>&</sup>lt;sup>3</sup> See Appendix A: U.S. Production 2002 – 2016: Independent v. Major.

For IFTA, the core issue in this proceeding is the need to ensure that the Internet, today's best new avenue of distribution, cannot be closed to independently developed and produced films and programming. There is ample evidence in the history of U.S. cinema, broadcast and cable television that infrastructure providers look to control content to feed their own networks and then displace outside suppliers. That pattern is already playing out in the broadband sector and inevitably will incentivize behavior that disfavors competing, unrelated services and content – and could easily discourage future investment in innovative offerings.

The 2015 Open Internet Order directly and specifically addressed the concerns of all entities which rely on the Internet to reach consumers: that broadband providers increasingly are our competitors, not just our distributors. The Bright Line Rules enunciated in the 2015 Order established precise protections needed to ensure that power acquired in the distribution sector is not unfairly leveraged to defeat competition in other lines of business. Regulation is key to protecting emerging businesses that rely on open access: voluntary codes of conduct and promises of good behavior are ineffective where, as here, there are inherent economic incentives to limit the reach of unaffiliated offerings. After the fact complaint procedures are inadequate to encourage investment in new online content and services.

As set out in the following pages, IFTA maintains that current conditions in the video and online marketplace, as well as the record underlying the 2015 Open Internet Order, amply support the need for enforceable regulations that will protect the ability of third party providers of legal content, services and applications to rely on broadband access to reach consumers and to deliver the broad array and choice of content that U.S. public policy seeks to inspire. IFTA urges the Commission to confirm these protections for the future.<sup>4</sup>

<sup>&</sup>lt;sup>4</sup> IFTA takes no position on Title II classification.

#### II. ENFORCEABLE REGULATIONS ARE THE KEY TO AN OPEN INTERNET

#### A. Background

The Commission adopted<sup>5</sup> and the D.C. Circuit Court of Appeals upheld<sup>6</sup> the 2015 Open Internet Order which ensured enforceable no-blocking, no-throttling, and non-discrimination rules and enhanced the transparency rule. The 2015 Order ended the uncertainty facing independent producers and American consumers that enjoy accessing and viewing the diverse content which independent producers create. Prior to the 2015 Open Internet Order, uncertainty existed in many forms and in particular whether independent production would be accessible on the same footing as content that is produced and distributed through consolidated media conglomerates that combine production and distribution units with broadband access services and that prefer to spotlight their own content or those who have exclusive deals over third party or independent content. It also made it clear that paid prioritization lanes would not sideline independent production to a lower quality viewing experience.

#### B. Ensuring an Open Internet through Regulation - The Bright Line Rules

The Regulations adopted in the Open Internet Order ensure that the Bright Line Rules of transparency, noblocking, no throttling and nondiscrimination would prevent broadband providers from disadvantaging independent content by favoring of self-owned or affiliated content, services and applications. Each of these Rules addresses a specific type of action or impact that can prove fatal to the market opportunities available to content providers and thus to consumers.

As discussed below, broadband networks now are a significant part of the distribution infrastructure through which content reaches the marketplace and finds its audience, and online distribution today increasingly has a role in the sequential distribution plan that historically started with a theatrical release. Online marketing also is crucial for both national and international exploitation to succeed. As the major broadband providers have

3

<sup>&</sup>lt;sup>5</sup> In the Matter of Protecting and Promoting the Open Internet, WC Docket No. 14-28, Report and Order on Remand, Declaratory Ruling, and Order, 30 FCC Rcd 5601 (2015)(Title 11 Order).

<sup>&</sup>lt;sup>6</sup> United States Telecom Ass'n v. FCC, 825 F.3d 674 (D.C, Cir 2016).

expanded from "mere" transport services to significant online video offerings, so have the risks to the unaffiliated services and content that rely on the broadband service for carriage.

Prohibitions against blocking, throttling and discrimination are the most basic protections required – in simple terms, unaffiliated online content services must be able to reach audiences effectively and reliably, without interference. The Commission in its Notice dismisses prior incidents of blocking and throttling that harmed consumers as "isolated examples", but the facts are incontrovertible: broadband providers <u>can</u> engage in such behavior and – without a clear prohibition – may do so, to the damage of those entities that have invested in online offerings and the consumers that would use them.

For the film and television industry, the risks are even more extreme. Consumers look for interesting content, not the brand, and have numerous options available. Minor differences in speed of access can fatally discourage consumers from viewing specific programming; inability to connect to a fledgling service will prompt consumers to simply move on to another choice.

Because the broadband carriers themselves offer online video services tilted heavily toward major studio and television fare, the Bright Line Rules are necessary in order to attract and protect investment in unaffiliated content and services. "No blocking and no throttling" speak to technical conditions and conduct that may or may not be motivated by competitive goals; "nondiscrimination" allows a broader inquiry where unequal treatment exists between affiliated and unaffiliated service providers. Thus, these Rules are important and must be retained.

Small and medium sized enterprises such as independent producers and distributors, as well as consumers, must rely upon their broadband providers to provide information as to the nature, quality and speed of services that are on offer – as well as for explanations and repair commitments when those services fail to deliver as expected. The 2015 Order's also enhanced transparency requirements, a necessary step because the knowledge needed to check the exercise of power by the broadband providers otherwise is so unavailable to consumers and service providers.

-

<sup>&</sup>lt;sup>7</sup> NPRM at 50.

#### C. The General Conduct Standard

The General Conduct Standard also sets forth the expectation that broadband providers will "play fair" and allows the Commission to take steps to investigate conduct that appears to stray from that expectation. The Bright Line Rules capture the circumstances by which users and consumers' interests may be prejudiced today but cannot forecast the future of technology, competition or economic incentives. The General Conduct Standard provides the Commission itself with a standard and the authority to ask tomorrow's necessary questions of both broadband providers and users and to make regulatory determinations that are consistent with reasonable expectations of fairness and access for service providers and consumers." The ability to adjust to change and quickly address regulatory uncertainty on a case by case basis is an important addition to the Bright Line Rules in this rapidly changing environment.

#### D. Individualized Arrangements for Priority Treatment Should Remain Prohibited

The Commission seeks comment on the consequences and implications of the Commission's regulatory authority for Internet traffic exchange including if premised on privately negotiated agreements<sup>9</sup> (in which one party would presumably pay for prioritization). The 2015 Open Internet Order prohibited broadband providers offering higher quality of services to those service providers who are willing to pay more and this rule should not be changed. Such arrangements remain unacceptable and harm content producers who do not have a content licensing arrangement with the paid prioritized service or platform. High-quality service is essential to the delivery of video programming, and inadequate service harms consumers.

The marketplace that exists today already is significantly biased in favor of online services owned by vertically-integrated broadband providers and the content supplied to those services by affiliated entities. If the Commission gives up its regulatory authority to prevent paid priority arrangements, further cost burdens may be imposed on independent video services and edge providers. These additional costs can defeat new and innovative services at their inception and eliminate the unaffiliated services on which independent producers rely. The nature

<sup>&</sup>lt;sup>8</sup> NPRM at 72.

<sup>&</sup>lt;sup>9</sup> NPRM at 42.

of the dilemma for unaffiliated video services is illustrated by the difficulties experienced by Netflix in securing rapid transport for its video services. After slow service afflicted its subscribers, Netflix agreed to pay Comcast to ensure faster and more reliable access to Comcast's subscribers. While these payments may be technically characterized as "paid prioritization", "interconnection" or "internet traffic exchange", Netflix who is an outspoken proponent of net neutrality and opponent of such tolls has said that it would continue paying broadband providers to guarantee a good experience for its customers. Netflix negotiated with both Verizon and AT&T<sup>12</sup> because Netflix's streaming speeds suffered with these broadband providers. Similarly, backbone provider Level 3 had also agreed to pay for faster on-ramping to Comcast's servers. Accordingly, IFTA disagrees with the Commission's proposal that it relinquish its authority over "internet traffic exchange" — these arrangements have competitive significance and must be subject to regulatory oversight.

## E. A Clear and Enforceable Regulatory Framework is Required

The Commission seeks comments on whether, and how, the existing enforcement regime should be modified, specifically considering different approaches such as "self-governance" or ex post enforcement. <sup>16</sup> Allowing broadband services to "self-govern" their own conduct will not ensure that other stakeholders' interests are even acknowledged in the formulation of "codes of conduct," nor reliably ensure regulatory review and intervention when such "codes" or "conduct" fail or violate the interests of consumers, users or competitors. Given the extent to which broadband service providers are actively engaged in promoting their own video services, it is

<sup>&</sup>lt;sup>10</sup> Timothy B. Lee, *Comcast's deal with Netflix makes network neutrality obsolete*, The Washington Post (February 23, 2014) *available at* <a href="http://www.washingtonpost.com/blogs/the-switch/wp/2014/02/23/comcasts-deal-with-netflix-makes-network-neutrality-obsolete/">http://www.washingtonpost.com/blogs/the-switch/wp/2014/02/23/comcasts-deal-with-netflix-makes-network-neutrality-obsolete/</a>.

<sup>&</sup>lt;sup>11</sup> Jon Brodkin, *Netflix says it will pay "tolls" to more ISPs, not just Comcast*, Ars Technica (March 20, 2014) *available at* <a href="http://arstechnica.com/tech-policy/2014/03/netflix-says-it-will-pay-tolls-to-more-isps-not-just-comcast/">http://arstechnica.com/tech-policy/2014/03/netflix-says-it-will-pay-tolls-to-more-isps-not-just-comcast/</a>.

<sup>&</sup>lt;sup>12</sup> Jon Brodkin, *Verizon CEO confident about getting payments from Netflix, too*, Ars Technica (February 24, 2014) *available at* <a href="http://arstechnica.com/business/2014/02/verizon-ceo-confident-about-getting-payments-from-netflix-too/">http://arstechnica.com/business/2014/02/verizon-ceo-confident-about-getting-payments-from-netflix-too/</a>.

<sup>&</sup>lt;sup>13</sup> Max Ehrenfreund, *This hilarious graph of Netflix speeds shows the importance of net neutrality*, Washington Post (April 25, 2014) available at <a href="http://knowmore.washingtonpost.com/2014/04/25/this-hilarious-graph-of-netflix-speeds-shows-the-importance-of-net-neutrality/">http://knowmore.washingtonpost.com/2014/04/25/this-hilarious-graph-of-netflix-speeds-shows-the-importance-of-net-neutrality/</a>.

<sup>&</sup>lt;sup>14</sup> Jon Brodkin, *Level 3 and Cogent ask FCC for protection against ISP "tolls"*, Ars Technica (March 21, 2014) *available at* http://arstechnica.com/business/2014/03/level-3-and-cogent-ask-fcc-for-protection-against-isp-tolls/.

 $<sup>^{\</sup>rm 15}$  NPRM at 42.

<sup>&</sup>lt;sup>16</sup> NPRM at 70.

of utmost importance to the independent film and television industry that self-regulation is not accepted as a substitute for clear regulations governing the conduct of entities with highly concentrated power and reach.

Ex-post enforcement is not a viable alternative for our industry or for consumers, who rely upon broadband service providers for their critical distribution links. At the most simple level, when content cannot be delivered or video quality is perceptibly diminished, neither customers nor content suppliers have the information to determine why nor the resources to pursue legal action in the hopes of a remedy. On the customer side, after a few such experiences, the solution is to look for a different video service. On the provider side, a pattern of cancellations will send a service itself into financial failure. A regulatory decision – reached (if at all) at great expense and only after significant outcry across the industry or the public – cannot repair the damage: the customer has moved on. In 2007, several subscribers to Comcast's high-speed Internet service discovered that the company was interfering with their use of peer-to-peer networking applications; only because one of the offended user was himself a network engineer, willing to persist in his complaints past Comcast's own denials of responsibility, was the matter taken up at the Commission or by Comcast<sup>17</sup>. In the terms of the current NPRM, this may be "only one" incident – but it is illustrative of the risk that no new start-up video service and no consumer can afford to take. Only enforceable Bright Line Rules fully protect against re-occurrences and promise Commission attention should that protection fail.

IFTA maintains that the Commission must maintain a regulatory framework that provide the Bright Line protections now in place, along with sufficient transparency to allow users and consumers to determine service and quality commitments, and that the Commission must effectively enforce those regulations in a timely manner. The stakes are too high for all who rely on broadband services to simply hope that – through self-regulation or the application of some other body of law – things will simply work out for the best.

\_

<sup>&</sup>lt;sup>17</sup> A formal complaint was filed by Free Press and Public Knowledge with the Federal Communications Commission to address this conduct and in 2008 the FCC issued an Order stating that "it is our expert judgment that Comcast's practices do not constitute reasonable network management" (File No. EB-08-IH-1518, Memorandum and Order at 51). <a href="https://apps.fcc.gov/edocs\_public/attachmatch/FCC-08-183A1.pdf">https://apps.fcc.gov/edocs\_public/attachmatch/FCC-08-183A1.pdf</a>). While that Order was eventually vacated by the D.C. Court of Appeals it provided the impetus for the Commission to establish new rules firmly within its statutory authority.

#### III. THE BROADBAND AND VIDEO SERVICES MARKETS CONTINUE TO CONSOLIDATE AND ISPS ARE GATEKEEPERS

The Commission seeks comment on how the marketplace developments impacted incentive and ability (if any) of broadband Internet service providers to engage in conduct that is contrary to the four Internet Freedoms and whether the Commission must find market power exists to retain rules in this space and if so must the rules only apply to providers who have market power.<sup>18</sup> In 2010<sup>19</sup> and again in 2014<sup>20</sup>, IFTA filed comments in response to the FCC's Open Internet Notice of Proposed Rulemaking as well as the FCC's Notice of Further Inquiry in the same proceeding.<sup>21</sup> These comments outlined the patterns of vertical integration that have played out repeatedly in traditional media – cinema exhibition, broadcast and then cable television – as these distributors have worked to limit their own risks of investment in infrastructure by seeking to also control the majority of the content needed to fuel that infrastructure. IFTA warned that unless regulatory action was taken, this pattern would be replicated in the emerging online marketplace, thus depriving consumers of innovative and diverse programming generated by entities which are independent "of the system."

In the years since, the consolidation of the marketplace with large conglomerates owning or controlling broadband networks along with broadcast and cable television networks and channels, production units, and content suppliers has further expanded. Of particular note are the mergers of Comcast-NBCUniversal, AT&T with DirecTV<sup>22</sup>, the Charter Communications acquisition of Bright House and Time Warner Cable,<sup>23</sup> and the proposed merger of AT&T and Time Warner Inc.<sup>24</sup> There is clear concentration in the U.S. broadband market and related media consolidation is at an all-time high.<sup>25</sup> Collectively, the top 4 broadband networks – Comcast (25.3%), ATT

<sup>&</sup>lt;sup>18</sup> NPRM at 77.

<sup>&</sup>lt;sup>19</sup> IFTA Comments to *Preserving the Open Internet Broadband Industry Practices*, Notice of Proposed Rulemaking, FCC 09-93, GN Docket No. 09-191, WC Docket No. 07-52 (filed Jan. 4, 2010), *currently available at http://www.ifta-online.org/sites/default/files/IFTA%20Comments%20January%2014,%202010%20-%20FINAL.pdf*.

<sup>&</sup>lt;sup>20</sup> IFTA Comments in the Matter of Protecting and Promoting the Open Internet, GN Docket No. 14-28 (filed July 15, 2014) <a href="https://ecfsapi.fcc.gov/file/7521486921.pdf">https://ecfsapi.fcc.gov/file/7521486921.pdf</a>.

<sup>&</sup>lt;sup>21</sup> IFTA Comments to *Further Inquiry into Two Underdeveloped Issues in the Open Internet Proceeding*, Notice of Proposed Rulemaking, GN Docket No. 09-191, WC Docket No. 07-52 (filed Oct. 12, 2010), available at <a href="http://apps.fcc.gov/ecfs/document/view?id=7020916598">http://apps.fcc.gov/ecfs/document/view?id=7020916598</a>.

<sup>&</sup>lt;sup>22</sup> https://www.fcc.gov/transaction/att-directv; See also Appendix B: ATT&-DirecTV Merger Consolidation Chart.

<sup>&</sup>lt;sup>23</sup> See Appendix C: Charter Communications- Time Warner Cable – Bright House Networks Consolidation Chart.

<sup>&</sup>lt;sup>24</sup> See Appendix D: AT&T – Time Warner Inc. Consolidation Chart.

<sup>&</sup>lt;sup>25</sup> See Appendix E: Media Consolidation in the U.S. Listing of Conglomerate Holdings.

(16%), Verizon (7.2%), and Charter (23.1%) – comprise 71.5% of the U.S. broadband market. The same four broadband network providers along with DirecTV account for 65.4% of the Multi-channel Video Programming Distributor ("MVPD") market share.<sup>26</sup> Due to consolidation, major video services allocate less space for independent content for consumers,<sup>27</sup> preferring to rely on in-house production and large studio arrangements. Independent producers are rightly concerned that the entire playing field is already heavily tilted in favor of the broadband providers, their own video programming services, and affiliated content.

The Commission also seeks comment on "how consumers are using broadband Internet services today<sup>28</sup>, what functionalities beyond mere transmission do Internet service providers incorporate into their broadband Internet access service<sup>29</sup>, and whether Internet service providers' marketing has changed"<sup>30</sup>. Broadband providers act as *gatekeepers* to the Internet and also have business arrangements with service and content providers to promote their channels or programming. Broadband providers offer content packages and promote programming as an important selling point for their services<sup>31</sup>. For example, AT&T in its commercial featuring Mark Walberg promotes HBO productions such as Westworld while it promotes "unlimited data" and free HBO as part of its service offering.<sup>32</sup> It does not advertise its email or other services as heavily as it does access to a quality experience to view programming<sup>33</sup>. AT&T Audience Services which produces programming such as Kingdom<sup>34</sup>, operates as a subscription streaming service on DirecTV and AT&T U-verse. The proposed acquisition of Time Warner Inc. by AT&T will be another example of economic incentive to leverage Time Warner Inc.'s content in favor of unaffiliated

<sup>&</sup>lt;sup>26</sup> See Appendix F: Top 4 Broadband Provider Market Share Analysis: Broadband Share / Multi-Channel Video Programming Distributor Share.

<sup>&</sup>lt;sup>27</sup> See Appendix G: Examples of Commonly Owned or Affiliated Broadband Providers and Content Providers.

<sup>&</sup>lt;sup>28</sup> FCC Notice of Proposed Rulemaking In the Matter of Restoring Internet Freedom, WC Docket No. 17-108, May 23, 2017 at 28. http://transition.fcc.gov/Daily Releases/Daily Business/2017/db0523/FCC-17-60A1.pdf

<sup>&</sup>lt;sup>29</sup> Id at 29.

<sup>&</sup>lt;sup>30</sup> Id at 36.

<sup>&</sup>lt;sup>31</sup> See 2017 AT&T commercial featuring Mark Walberg, https://www.youtube.com/watch?v=ZpDPOc XabQ.

<sup>32</sup> http://about.att.com/story/unlimited wireless plan hbo.html.

<sup>33 &</sup>lt;u>https://www.directv.com/networks/audience.</u>

<sup>34</sup> http://about.att.com/story/att audience network returns to production on kingdom.html.

content and edge providers. This vertical integration gives broadband providers enormous leverage over content acquisition and unaffiliated edge providers' access to consumers desiring a high quality viewing experience.

Consumers want their viewing experience to be high quality and desire diverse content provided to them on a variety of systems. And those who invest in independent programming and services must have regulatory certainty that their efforts to reach consumers online will be subject to the same access conditions as those enjoyed by the broadband providers on whom they depend.

#### IV. MOBILE BROADBAND INTERNET SERVICE MUST BE SUBJECT TO ENFORCEABLE REGULATION

As consumers "cut the cord", wireless broadband networks have become increasingly important to the distribution of content and broadband Internet access. IFTA recognizes that the particulars involved in the application of Open Internet principles to different platforms and the underlying technologies may vary, but the rules for how both fixed and wireless broadband network providers deliver third-party applications, services and content to consumers should result in the same guarantees to independent parties and the public and through clear and enforceable regulations of the Commission.

#### IX. CONCLUSION

IFTA and its Members urge the Commission to maintain a regulatory framework governing broadband services that includes clear rules ensuring transparency, no-blocking, no throttling and non-discrimination, and prohibiting paid prioritization arrangements, and a commitment to full enforcement in order to preserve and promote the open Internet and the public interest in access to independent and diverse content.

#### Respectfully submitted,

INDEPENDENT FILM & TELEVISION ALLIANCE

Jean M. Prewitt, President & Chief Executive Officer

Susan Cleary, Vice President & General Counsel

Eric Cady, Senior Counsel

July 17, 2017

Appendix A
U.S. Production 2002 - 2016: Independent v. Major

Year	Independent Productions	Indie / Major Co- prod	Major Studio Production	Intl Co Production	Total
	377	14	105	12	508
2002	74%	3%	21%	2%	100%
2003	251	12	104	13	380
	66%	3%	27%	3%	100%
2004	434	50 9%	63	16	563
	77%	970	11%	3%	100%
	105	1 00	0.4	05	=0.4
2005	435 74%	33 6%	91 16%	25 4%	584 100%
	1 - 70	070	1070	470	10070
	393	22	78	11	504
2006	78%	4%	15%	2%	100%
2007	477	24	103	18	622
2007	77%	4%	17%	3%	100%
2008	321	21	77	5	424
	76%	5%	18%	1%	100%
	054	10	75	20	371
2009	251 68%	13 4%	20%	32 9%	100%
	1	1			
0040	422	33	105	1 1	561
2010	75%	6%	19%	0%	100%
	480	9	87	60	636
2011	75%	1%	14%	9%	100%
	393	17	83	14	507
2012	78%	3%	16%	3%	100%
	•	•			
2013	340 70%	6 1%	79 18%	4 1%	429 400%
	79%		18%	1 70	100%
2014	352	16	82	11	461
	76%	3%	18%	2%	100%
2015	352	6	93	12	463
	76%	1%	20%	3%	100%
2016	512	7	84	14	617
2010	83%	1%	14%	2%	100%
15 Year	386	19	87	17	509
Average	76%	4%	17%	3%	100%

<sup>\*</sup> Source: IFTA analysis of production listings published in The Hollywood Reporter & Daily Variety (2002 - 2008) and Baseline & IMDB Pro (2009- 2016).

<sup>© 2017,</sup> IFTA. All rights reserved. The statistical information contained herein may not be reproduced in whole or in part without noticeof IFTA's copyright in the materials.

## **Appendix B**

## **AT&T-DirecTV Merger Consolidation Chart** *as of June 23,2017*

AT&T Assets*	DirecTV Assets**	After Merger***
U-verse IPTV Service 5.94 million subscribers 5.89% of the MVPD market^	DirecTV Satellite TV Service 20.40 million subscribers 20.36% of the MVPD market^	U-verse IPTV Service 4.25 million subscribers 4.04% of the MVPD market^^  DirecTV Service 21.01 million subscribers 19.72% of the MVPD market^^
Channels Available: Over 232 channels available	<b>Channels Available:</b> Over 215 channels available	Combined Services 25.26 million subscribers 23.76% of the MVPD market^^  Channels Available: Over 258 channels available
Broadband Service 16.03 million subscribers 16.37% of the market^  Residential Phone		Broadband Service 15.60 million subscribers 15.95% of the market^^  Residential Phone 134.86 million subscribers
VOD U-verse On Demand	<b>VOD</b> DIRECTV On Demand	VOD U-verse On Demand DIRECTV On Demand

<sup>\*</sup> AT&T Annual Report 2014 – can be found at <a href="https://www.att.com/gen/investor-relations?pid=9186">https://www.att.com/gen/investor-relations?pid=9186</a>
^ LRG Research Notes 1Q 2015, Leitchman Research Group, Inc. (<a href="https://leichtmanresearch.com/">https://leichtmanresearch.com/</a>)
\*\* DirecTV Annual Report 2014 – can be found at <a href="https://www.sec.gov/Archives/edgar/data/1465112/000104746915001196/a2223104z10-k.htm">https://www.sec.gov/Archives/edgar/data/1465112/000104746915001196/a2223104z10-k.htm</a>

<sup>\*\*\*</sup> AT&T Annual Report 2016 – can be found at <a href="https://www.att.com/gen/investor-relations?pid=9186">https://www.att.com/gen/investor-relations?pid=9186</a> ^^ LRG Research Notes 1Q 2017, Leitchman Research Group, Inc. (<a href="https://leichtmanresearch.com/">https://leichtmanresearch.com/</a>)

## **Appendix C**

## Charter Communications - Time Warner Cable - Bright House Networks Consolidation Chart

As of June 23, 2017

Charter Pre-Merger	Bright House Pre-	TWC Pre-Merger	Spectrum (Charter)	
Assets†	Merger Assets	Assets	After Merger Assets	
Broadband Service	Broadband Service	Broadband Service	Broadband Service	
5,227,000	1,900,000	12,675,000	22,593,000	
subscribers	subscribers	subscribers	subscribers	
Digital Cable Service	Digital Cable Service	Digital Cable Service	Digital Cable Service	
4,322,000	2,000,000	10,821,000	17,236,000	
subscribers	subscribers	subscribers	subscribers	
Digital Phone Service	Digital Phone Service	Digital Phone Service	Digital Phone Service	
2,598,000	1,100,000	6,320,000	11,105,000	
subscribers	subscribers	subscribers	subscribers	
PPV/VOD Service iN DEMAND (33.3% ownership)			PPV/VOD Service iN DEMAND (33.3% ownership)	
as of Dec 31, 2015	as of Dec 31, 2014	as of Dec 31, 2015	*as of Dec 31, 2016	

Sources: "Charter Communications Annual Reports" 2015 & 2016, "Time Warner Cable Annual Report" 2015, "Charter to Acquire Bright House Networks: Driving Scale and Strategic Flexibility", 2015

\*On May 18, 2016, the transactions contemplated by the Agreement and Plan of Mergers dated as of May 23, 2015 by and among Legacy TWC, Legacy Charter, and certain other subsidiaries of New Charter were completed. Also, on May 18, 2016, Legacy Charter and Advance/Newhouse Partnership, the former parent of Legacy Bright House, completed their previously announced transaction, pursuant to a definitive contribution agreement, under which Charter acquired Bright House. Subscriber numbers above reflect the legacy companies' holdings prior to the completed mergers. Source: "Charter Communications 10-K Filing", December 31, 2016, pages 1-2.

†Liberty Broadband owns 20% of Charter Communications.

## Appendix D

## AT&T – Time Warner Inc. Merger Proposed Merger Consolidation Chart

as of June 23,2017

TimeWarner Inc. Assets <sup>1</sup>	After Merger
	AT&T / TimeWarner Services 25.26 million subscribers 23.7 % of the MVPD market^
US Cable Channels TNT, TBS, truTV, Turner Classic Movies, Turner Sports, Bleacher Report, the NBA and NCAA digital properties, Cartoon Network, CNN, the CNN digital network, HLN and iStreamPlanet.	US Cable Channels TNT, TBS, truTV, Turner Classic Movies, Turner Sports, Bleacher Report, the NBA and NCAA digital properties, Cartoon Network, CNN, the CNN digital network, HLN and iStreamPlanet.
Premium Pay TV Services HBO & Cinemax— MoreMax, 5StarMax, ActionMax, Cinemáx, MovieMax, OuterMax & ThrillerMax	Premium Pay TV Services HBO & Cinemax – MoreMax, 5StarMax, ActionMax, Cinemáx, MovieMax, OuterMax & ThrillerMax
TV & Film Studio Warner Brothers	TV & Film Studio Warner Brothers
<b>Network</b> 50% of CW	<b>Network</b> 50% of CW
	Broadband Service 15.60 million subscribers 15.95% of the market^
	Residential Phone 134.86 million subscribers
VOD  Boomerang – launched in April 2017  FilmStruck – launched in November 2016  HBO NOW – 2 million subscribers <sup>4</sup> 10% of Hulu – 12 million paid	VOD  Boomerang – launched in April 2017  DIRECTV On Demand* FilmStruck – launched in November 2016  HBO Now – 2 million subscribers 10% of Hulu U-verse On Demand*
	US Cable Channels  TNT, TBS, truTV, Turner Classic Movies, Turner Sports, Bleacher Report, the NBA and NCAA digital properties, Cartoon Network, CNN, the CNN digital network, HLN and iStreamPlanet.  Premium Pay TV Services HBO & Cinemax— MoreMax, 5StarMax, ActionMax, Cinemáx, MovieMax, OuterMax & ThrillerMax  TV & Film Studio Warner Brothers  Network 50% of CW  VOD  Boomerang — launched in April 2017 FilmStruck — launched in November 2016 HBO NOW — 2 million subscribers <sup>4</sup>

<sup>\*</sup>As consumers continue to demand more mobile access to video, AT&T has launched streaming access to their subscribers, including mobile access for existing satellite and U-verse subscribers.

<sup>&</sup>lt;sup>1</sup> TimeWarner 2016 Annual Report – found at http://ir.timewarner.com/phoenix.zhtml?c=70972&p=irol-IRHome

<sup>&</sup>lt;sup>2</sup> AT&T 2016 Annual Report (https://www.att.com/Investor/ATT\_Annual/2016/downloads/att\_ar2016\_completeannualreport.pdf)

<sup>&</sup>lt;sup>3</sup> https://www.statista.com/statistics/258014/number-of-hulus-paying-subscribers/

<sup>&</sup>lt;sup>4</sup> Variety Article – HBO Now Grows to More Than 2 Million Domestic Subscribers, Cynthia Littleton (<a href="http://variety.com/2017/tv/news/hbo-now-2-million-subscribers-time-warner-1201981371/">http://variety.com/2017/tv/news/hbo-now-2-million-subscribers-time-warner-1201981371/</a>)

<sup>^</sup> LRG Research Notes 1Q 2017, Leitchman Research Group, Inc. (http://leichtmanresearch.com/)

## Media Consolidation in the U.S. Listing of Conglomerate Holdings

as of June 2017

Sources: Company Websites, Wikipedia, NPR "Big Media Companies and Their Many Brands - In One Chart", 2016

## Altice USA (Successor to Cablevision Systems)

Cable Television

Multi-Service Operator (MSO)

-Optimum TV

Internet

Internet Service Provider (ISP)

-Optimum Online

Telephone Communications

Voice Over IP

-Optimum Voice

#### **Suddenlink Communications**

Cable Television

Multi-Service Operator (MSO)

-Suddenlink TV

Internet

Internet Service Provider

-Suddenlink Internet

Telephone Communications

Voice Over IP

-Suddenlink Home Phone

VOD

-Suddenlink2GO

#### AMC Networks (originally a subsidiary of

Cablevision, it was spun off as a publically traded company in July 2011)

#### Production Entities:

IFC Films

#### Cable Channels

- American Movie Channel (AMC)\*
- BBC American (partial with BCC Worldwide)
- IFC\*
- The Sundance Channel (partial with the Sundance Group)\*
- Women's Entertainment (WEtv)\*

#### AT&T (AT&T's acquisition of Time Warner Inc. is pending)

Television

-U-Verse TV

Broadcast Satellite Service Provider

-DirecTV

Internet

Internet Service Provider (ISP)

-AT&T U-Verse

VOD

-U-Verse On Demand

-DirecTV On Demand

#### Telephone Communications

Landline Phone Service

-U-Verse Voice

-Southwestern Bell

-Bell South

Mobile Phone Service

-AT&T 4G LTE

-Cricket Wireless

#### Charter Communications (20% owned by

Liberty Broadband)

Cable Television

Multi-Service Operator (MSO)

-Spectrum Digital Cable (after merger includes customers from Bright House Networks, Charter Communications and Time Warner Cable)

#### Internet

Internet Service Provider (ISP)

-Spectrum broadband (after merger includes customers from Bright House Networks, Charter Communications and Time Warner Cable)

VOD

-iN DEMAND (partial w/ Comcast and Cox)

#### Telephone Communications

Landline Phone Service

-Spectrum Digital Phone Service (after merger includes customers from Bright House Networks, Charter Communications and Time Warner Cable)

#### Comcast / NBC Universal

#### Production Entities:

- Awesomeness TV (partial with Hearst Corp and Verizon Communications)
- Amblin Partners (partial with Participant Media, Reliance Entertainment, Entertainment One, Alibaba Pictures)
- DreamWorks Animation
- Focus Features
- Universal Studios

#### Broadcast Television

- NBC TV Network
- Telemundo

<sup>\*</sup> Major fiction programming cable channel

## Media Consolidation in the U.S. Listing of Conglomerate Holdings

as of June 2017

Sources: Company Websites, Wikipedia, NPR "Big Media Companies and Their Many Brands - In One Chart", 2016

## **Comcast / NBC Universal** (continued)

#### Cable Television

#### Multi-Service Operator (MSO)

Xfinity TV

#### Cable Channels

- Bravo\*
- Chiller
- Cloo (Formerly Sleuth)
- CNBC
- E!
- FEARnet
- G4 (partial with Dish Network)
- Golf Channel
- MSNBC
- NBCSN
- Oxygen\*
- Sprout
- SyFy Channel\*
- The Weather Channel (partial with The Blackstone Group, Bain Capital)
- Universo
- USA Network\*

#### Internet

#### Internet Service Provider (ISP)

Xfinity internet

#### VOD

- Hulu.com 32% (owned by several companies, Fox, NBC, ABC)
- iN DEMAND (partial w/ Cox and Charter)
- NBC.com
- On Demand Online
- USA Network Online
- XFINITY

#### Telephone Communications

#### Landline Phone Service

- Xfinity Voice

#### Mobile Phone Service

- Xfinity Mobile

## Hearst Corp.

#### Cable Television Channels

- A&E Networks (partial w/ Disney)\*
  - A&E
  - o Bio
  - o Blaze
  - Crime & Investigation Network
  - o FYI
  - History Channel
  - Lifetime Network
  - Lifetime Movie Network
  - Lifetime Real Women
  - Viceland
- Cosmopolitan TV (partial with Corus Entertainment)
- ESPN (partial w / Disney)

#### Production Entities

- Awesomeness TV (partial with Dreamworks Animation and Verizon Communications)

#### **National Amusements**

#### CBS

#### Broadcast Television

- CBS TV Network
- CW Network (partial w/ Warner Bros.)
- Decades (partial with Weigel Broadcasting)

#### Cable Television Channels

- AXS TV (partial with 2929 Entertainment, Anschutz Entertainment Group, Creative Artists Agency and Ryan Seacrest Media)
- CBS Sports Network
- FLIX\*
- Pop (partial with Lionsgate Entertainment)
- Showtime\*
  - o Showtime
  - o Showtime 2
  - Showtime Beyond
  - Showtime Extreme
  - Showtime Family Zone
  - o Showtime Next
  - o Showtime Showcase
  - Showtime Women
- The Movie Channel\*
- The Smithsonian Channel (partial with the Smithsonian Institution)

## Internet Programming

- CBS.com
- CW Video

<sup>\*</sup> Major fiction programming cable channel

## Media Consolidation in the U.S. Listing of Conglomerate Holdings

as of June 2017

Sources: Company Websites, Wikipedia, NPR "Big Media Companies and Their Many Brands - In One Chart", 2016

## National Amusements (continued)

#### Viacom / Paramount

#### Production Entities:

Paramount Studios

- Paramount Vantage

#### Cable Channels

- BFT\*
- Centric
- CMT
- CMT Music
- Comedy Central\*
- Logo TV
- MTV
- MTV2
- MTV Classic
- MTV Live
- mtvU
- MTV tr3s
- Nickelodeon
- Nick Jr.
- Nicktoons
- Spike\*
- TeenNick
- TV Land
- VH1

#### VOD

- BET.com
- ComedyCentral.com
- Nick.com
- Spike.com

#### OTT Delivery

Roku (partial with 21st Century Fox)

## **News Corp (FOX)**

#### Production Entities:

- 21st Century Fox
- Blue Sky Studios
- Fox Searchlight

#### Broadcast Television

- Fox Broadcasting
- MyNetworkTV (syndication service)

#### Cable Television Channels

- Big Ten Network
- Fox Business Network
- Fox Movie Channel\*
- Fox News Channel
- Fox Sports Network

#### - FX\*

- FX Movie Channel (FXM)
- FXX
- National Geographic Channel (partial with the National Geographic Society)
- Net Geo Wild (partial with the National Geographic Society)
- YES Network (partial with Yankee Global Enterprises)

#### VOD

- Hulu.com (owned by several companies, Fox , NBC, ABC)
- FOX.com
- Foxsports.com
- FX NOW

#### OTT Delivery

- Roku (partial with Viacom Inc)

## The Walt Disney Company

#### **Production Entities:**

- Lucasfilm
- Maker Studios
- Marvel Entertainment
- Pixar Animation Studios
- Touchstone Pictures
- Walt Disney Pictures

#### Broadcast Television

ABC TV

#### Cable Television Channels

- A&E Networks (partial w/ Hearst Corp)\*
  - A&E
  - o Bio
  - o Blaze
  - o Crime & Investigation Network
  - o FYI
  - History Channel
  - Lifetime Network
  - Lifetime Movie Network
  - o Lifetime Real Women
  - Viceland
- Disney Channel\*
- Disney Junior\*
- Disney XD\* (fka Toon Disney)
- ESPN (partial w / Hearst)
- Freeform\* (fka ABC Family)

#### VOD

- ABC.com
- Freeform.com
- Hulu.com (owned by Fox, NBC, ABC)
- Disney Movies Anywhere
- Disney Online

<sup>\*</sup> Major fiction programming cable channel

## Media Consolidation in the U.S. Listing of Conglomerate Holdings

as of June 2017

Sources: Company Websites, Wikipedia, NPR "Big Media Companies and Their Many Brands - In One Chart", 2016

## Time Warner Inc. (Warner Bros.) (AT&T's

acquisition of Time Warner Inc. is pending)

Production Entities:

- Warner Bros. Pictures
- New Line Pictures

Broadcast Television

- The CW (with CBS)

Cable Television

Cable Channels

- HBO\*
  - о НВО
  - o HBO 2
  - o HBO Comedy
  - o HBO Family
  - HBO Latino
  - o HBO Signature
  - HBO Zone
- Cinemax\*
  - ActionMax
  - o Cinemax
  - o Cinemax Spanish
  - MoreMax
  - o OuterMax
  - o ThrillerMax
  - o 5StarMax
- Boomerang
- Cartoon Network\*
- CNN
- TBS\*
- TNT\*
- TruTV
- Turner Classic Movies (TCM)\*

Multi Service Operator

- None (Time Warner Cable spun from TW in March 09)

Internet

Internet Service Provider (ISP)

- None - AOL (spun from TW in Dec 09)

VOD

- CWTV.com
- HBO GO
- HBO NOW
- HBO On Demand
- TBS.com
- TNT.tv

## Verizon

Internet

Internet Service Provider (ISP)

-Verizon FiOS

Telephone Communications

Landline Phone Service

-FiOS Voice

Mobile Phone Service

-Verizon 4G LTE

Television

-FiOS TV

<sup>\*</sup> Major fiction programming cable channel

<sup>4</sup> 

## Appendix F

## Top 4 ISPs Market Share Analysis: Broadband Share / Multichannel Video Programming Distributor Share

#### Top Four Broadband Providers Market Share

	2013		2016		Change 2013 - 2016	
	Subscribers (M)	% Total	Subscribers (M)	% Total	Subscribers (M)	%
Comcast	20.7	22.8%	24.7	25.3%	4.0	19.3%
Charter Communications (Spectrum) *	11.6	12.8%	22.6	23.1%	11.0	67.9% **
ATT	16.4	18.1%	15.6	16.0%	-0.8	-4.9%
Verizon	9.0	9.9%	7.0	7.2%	-2.0	-22.2%
Four Company Total	57.7	63.7%	69.9	71.5%	12.2	21.1%
All Other	32.9	36.3% ***	27.9	28.5%	-5.0	-15.2%
Total U.S.	90.6	100.0%	97.8	100.0%	7.2	7.9%

#### Top Four Broadband Providers MVPD Market Share

	2013		2016		Change 2013 - 2016	
	Subscribers (M)	% Total	Subscribers (M)	% Total	Subscribers (M)	%
Comcast	21.7	22.9%	22.5	21.1%	0.8	3.7%
Charter Communications (Spectrum) *	11.4	12.1%	17.2	16.2%	5.8	36.9% **
ATT+	5.5	5.8%	4.3	4.0% ▲	-1.2	-21.8% <b>▲</b>
Verizon	5.3	5.6%	4.7	4.4%	-0.6	-11.3%
Four Company Total	43.9	46.4%	48.7	45.7%	4.8	10.9%
DirectTV+	20.3	21.5%	21.0	19.7% ▲	0.7	3.4% ▲
4 Co. & DirectTV Total	64.2	67.9%	69.7	65.4%	5.5	8.6%
All Other	30.4	32.1% ***	36.8	34.6%	6.4	21.1%
Total U.S.	94.6	100.0%	106.5	100.0%	11.2	11.8%
▲ Combined ATT / DirectTV 2016 Numbers			25.3	23.8%	(0.5)	-1.9%

Source: IFTA analysis of data from Leichtman Research Group, "Research Notes", 1Qt. 2014 and "Research Notes", 1Qt. 2017

© 2017, IFTA. All rights reserved. The statistical information contained herein may not be reproduced in whole or in part without notice of IFTA's Copyright in the materials.

<sup>\*</sup> Time Warner Cable and Brighthouse merged with Charter Communications in May 2015. Charter is now branding its services under the name "Spectrum." The 2013 numbers for TWC include only TWC subscribers. The 2016 subcriber number is for the merged entity, Spectrum.

<sup>\*\*</sup> Percentage change reflects the subscriber change of the combined 2013 subscribers numbers for TWC and for Charter (see note below) and the 2016 numbers for the new, merged entitty, Spectrum.

<sup>\*\*\*</sup> Includes Charter Communications subscribers: broadband - 4.6 million; pay TV - 4.3 million.

<sup>♦</sup> AT&T acquired DirecTV in July 2015.

Appendix G

Examples of Commonly Owned or Affiliated Broadband Providers and Content Providers

Broadband Provider	Online Service	Content for Service
Trovaci	U-Verse	550+ channels including premium (Cinemax, HBO, Showtime, Starz, TMC) and basic pay channels (AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout,
AT&T	DIRECTV NOW	SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)  120+ channels including premium (Cinemax, HBO, Starz, TMC) and basic pay channels (AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout, SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)
CenturyLink	Prism On the Go	350+ channels including premium (Cinemax, Epix, HBO, Showtime, Starz) and basic pay (AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout, SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)
Comcast	XFINITY	260+ channels including premium (Cinemax, HBO, Showtime, Starz, TMC) and basic pay channels (AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout, SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)
Cox	Contour App	340+ channels including premium (Cinemax, Epix, HBO, Showtime, Starz) and basic pay channels (AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout, SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)
MSN (Microsoft)	Xbox LIVE	Amazon Instant Video, Crackle, Crunchyroll, ESPN, Hulu, MLB, NFL, Netflix, YouTube Red
Optimum Online (Cablevision Systems)	Optimum TV to GO	350+ channels including premium (Cinemax, HBO, Showtime, Starz) and basic pay channels (AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout, SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)
Spectrum (Charter)	Spectrum TV On Demand	130+ channels including premium (Cinemax, Epix, HBO, Showtime, Starz, TMC) and basic pay channels (A&E, AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout, SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)
Verizon	FiOS TV	435+ channels including premium (Cinemax, Epix, HBO, Showtime, Starz) and basic pay channels (A&E, AMC, BET, Bravo, Cartoon Network, Comedy Central, Discovery, Disney, E!, ESPN, Freeform, FX, HGTV, History, IFC, Lifetime, MTV, Nickelodeon, Spike, Sprout, SundanceTV, SyFy, TBS, TLC, TNT, truTV, USA, VH1)